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Superintendent

July 13, 2011

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

The Honorable Board of Supervisors  
County of Los Angeles  
Room 383 Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

48 August 30, 2011

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Re: Rowland Unified School District Request for Board to Levy Taxes and to Direct the Auditor-Controller to Place Taxes on Tax Roll

Dear Supervisors:

On June 14, 2011, the governing board of the Rowland Unified School District (the "District") adopted a resolution (the "District Resolution") authorizing the issuance and sale of the District's General Obligation Bonds, 2006 Election, Series D and Series E (collectively, the "Bonds") in the aggregate principal amount not to exceed \$25,557,451, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code. An original District Resolution is attached.

The District, formally requests, in accordance with applicable law, that the Los Angeles County Board of Supervisors (the "Board of Supervisors") adopt the enclosed resolution to levy the appropriate taxes and to direct the County Auditor-Controller to place these taxes on the tax roll every year according to the debt service schedule previously supplied by Dale Scott & Co., financial advisor, following the sale of the Bonds. The Bonds were sold on June 23, 2011.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

1. The Board of Supervisors adopt the enclosed resolution (two originals have been forwarded by Jones Hall, APLC, bond counsel to the District).
2. After the Board has taken action on this letter, the District requests that the Executive Officer-Clerk of the Board furnish (2) certified copies of this Resolution to:

William Kadi, Esq.  
Jones Hall, A Professional Law Corporation  
650 California Street, 18th Floor  
San Francisco, CA 94108,

**Board Vision:** The Rowland Unified School District promotes, expects, and accepts nothing short of excellence. We have a collective commitment to be the best school district in California.

**Mission:** The mission of the Rowland Unified School District, the progressive international community united in learning, is to empower students so that each actualizes his or her unique potential and responsibly contributes to a global society, through a system distinguished by rigorous academics, innovative use of technology, creative exploration, and nurturing learning experiences.

and send one (1) copy of this Resolution to each of the following:

Los Angeles County Treasurer and Tax Collector  
ATTN: Doug Baron, Assistant Director – Public Finance  
500 W. Temple Street, Room 432  
Los Angeles, CA 90012

Los Angeles County Auditor Controller  
ATTN: Sanford Johnson  
500 W. Temple Street, Room 603  
Los Angeles, CA 90012

Los Angeles County Counsel  
ATTN: Cammy C. DuPont, Esq.  
500 W. Temple Street, Room 648  
Los, Angeles, CA 90012

Yours very truly,

ROWLAND UNIFIED SCHOOL DISTRICT

By:   
\_\_\_\_\_  
Ruben P. Frutos

Its: Assistant Superintendent

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF  
LOS ANGELES, CALIFORNIA, AUTHORIZING THE LEVY OF TAXES FOR  
GENERAL OBLIGATION BONDS, SERIES D AND SERIES E OF THE ROWLAND  
UNIFIED SCHOOL DISTRICT AND DIRECTING THE COUNTY AUDITOR-  
CONTROLLER TO MAINTAIN TAXES ON THE TAX ROLL**

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**WHEREAS**, a duly called election was held in the Rowland Unified School District (hereinafter referred to as the "District"), County of Los Angeles (the "County"), State of California, on June 6, 2006 (the "2006 Election"), and thereafter canvassed pursuant to law;

**WHEREAS**, at such election there was submitted to and approved by more than 55% of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$118,000,000, payable from the levy of an ad valorem tax against the taxable property in the District;

**WHEREAS**, the District has previously caused to be issued \$92,422,549 of the General Obligation Bonds;

**WHEREAS**, the District Board on June 14, 2011 adopted its Resolution (the "District Resolution") authorizing the issuance of General Obligation Bonds, 2006 Election, Series D in the aggregate principal amount of not to exceed \$25,000,000 and General Obligation Bonds, 2006 Election, Series E in the aggregate principal amount of not to exceed \$557,451 (collectively, the "Bonds") pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act") and a Paying Agent Agreement between the District and U.S. Bank National Association, as paying agent; and

**WHEREAS**, the County Board has been formally requested by the District to levy taxes in an amount sufficient to pay the principal of and interest on the Bonds when due, and to direct the Auditor-Controller of the County to maintain on its tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedule for the Bonds that will be provided to the Auditor-Controller by the District following the sale of the Bonds.

**NOW THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

SECTION 1. Issuance of Bonds. That pursuant to Section 15140(b) of the California Education Code, the County is granted the power to and hereby approves the issuance of the Bonds by the District on its own behalf under the Act.

SECTION 2. Levy of Taxes. That this County Board levy taxes in an amount sufficient to pay the principal of and interest on the Bonds.

SECTION 3. Preparation of Tax Roll. That the Auditor-Controller of the County of Los Angeles is hereby directed to maintain on its tax roll, and all subsequent tax rolls, taxes in an

amount sufficient to fulfill the requirements of the debt service schedule for the Bonds, which will be provided to the Auditor-Controller by the District following the sale of the Bonds.

SECTION 4. Effective Date. That this Resolution shall take effect immediately upon its passage.

The foregoing resolution was, on the 30<sup>th</sup> day of August, 2011, adopted by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



SACHI A. HAMAI,  
Executive Officer-Clerk of the Board of  
Supervisors of the County of Los Angeles

By: *Lachelle Smithman*  
**DEPUTY**

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN  
County Counsel

By: *Sammy C. DePent*  
Principal Deputy County Counsel

**ROWLAND UNIFIED SCHOOL DISTRICT**

**June 14, 2011**

**RESOLUTION NO. A:10-11:11:XI.8**

**PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, 2006 ELECTION, SERIES D, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$25,000,000 AND SERIES E IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$557,451**

**WHEREAS**, a special bond election was duly and regularly held in the Rowland Unified School District (the "District") on June 6, 2006, under the procedures specified in Proposition 39 (Article XIII A Section 1 paragraph (b) of the California Constitution) for the purpose of submitting a general obligation bond measure (the "Bond Measure") to the qualified electors of the District authorizing the issuance of general obligation bonds of the District in the aggregate principal amount of \$118,000,000 (the "General Obligation Bonds"), and more than 55% of the votes cast at said election were in favor of the issuance of the General Obligation Bonds; and

**WHEREAS**, the Board of Education of the District is authorized to provide for the issuance and sale of any series of the General Obligation Bonds on behalf of the District under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"); and

**WHEREAS**, the District has previously caused to be issued and sold \$92,422,549 of the General Obligation Bonds; and

**WHEREAS**, the American Recovery and Reinvestment Act of 2009 granted a national allocation of \$11 billion to provide for the issuance of qualified school construction bonds ("Qualified School Construction Bonds"), in accordance with the qualified tax credit bond program set forth in Section 54A of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and the District has received an allocation for the year 2010 to issue Qualified School Construction Bonds in the aggregate principal amount of not to exceed \$25,000,000; and

**WHEREAS**, the Board of Trustees wishes at this time to initiate proceedings for the issuance of Series D Bonds under the Bond Law in the aggregate principal amount of not to exceed \$25,000,000 as provided in this Resolution, which shall constitute the Qualified School Construction Bonds for which the District has received an allocation for the year 2010 and Series E of the Bonds as tax exempt general obligation bonds under the Bond Law;

**NOW, THEREFORE**, the Board of Education of the District hereby finds, determines, declares and resolves as follows:

**Section 1. Bond Authorization.** The Board of Education (the "Board") hereby authorizes the issuance of two or more series of General Obligation Bonds in the aggregate principal amount of not to exceed \$25,557,451 (the "Series D Bonds and Series E Bonds"). The Series D and E Bonds shall be issued under the Bond Law for

Series E Bonds”). The Series D and E Bonds shall be issued under the Bond Law for the purpose of raising money to finance educational facilities for which the General Obligation Bonds have been authorized under the Bond Measure.

**Section 2. Paying Agent Agreement.** The Series D and E Bonds shall be issued upon the terms and conditions set forth in the Paying Agent Agreement between the District and U.S. Bank National Association, as paying agent (the “Paying Agent”), in substantially the form on file with the Clerk of the Board together with any changes therein or modifications thereof which are approved by the Superintendent or the Assistant Superintendent, Administrative Services (each, an “Authorized Officer”), whose execution thereof shall be conclusive evidence of the approval of any such changes or modifications. An Authorized Officer is directed to authenticate and execute the final form of the Paying Agent Agreement in the name and on behalf of the District.

**Section 3. Material Provisions of Series D and E Bonds.** The Series D and E Bonds are authorized to be issued in the form of current interest bonds, capital appreciation bonds or convertible capital appreciation bonds, or any combination thereof. Interest on the Series D and E Bonds shall be payable or shall compound on February 1 and August 1 in each year, commencing February 1, 2012, and principal of the Series D and E Bonds shall be payable on August 1 in each year commencing August 1, 2012 or as otherwise provided in the Paying Agent Agreement. The Series D and E Bonds shall be subject to redemption in accordance with the redemption provisions set forth in the Paying Agent Agreement. The Series D and E Bonds may be issued in whole or in part as term bonds which are subject to mandatory sinking fund redemption on August 1 in any year, in lieu of having a principal maturity in such year.

**Section 4. Sale of Series D and E Bonds.** The Board hereby authorizes the negotiated sale of the Series D and E Bonds to JPMorgan Chase Bank, N.A., or another financial institution designated by an Authorized Officer, (the “Bank”). The Series D and E Bonds shall be sold to the Bank under the Commitment Letter in substantially the form on file with the Clerk of the Board, together with any changes thereto which are approved by a District Representative, whose execution thereof shall be conclusive evidence of the approval of such changes. The purchase price of the Series D and E Bonds shall be at least 100% of the par amount thereof, and the rate of interest on the Series D and E Bonds shall not exceed 10.00% per annum.

In accordance with Section 15146 of the California Education Code, the Board has determined to sell the Series D and E Bonds at a negotiated sale for the following reasons: (i) the District has selected the Bank through a process based on consideration of the qualifications and cost of services, (ii) the Bank is familiar with the financial condition and operations of the District, and (iii) a negotiated sale provides more flexibility to choose the time and date of the sale which is advantageous in a volatile municipal bond market.

**Section 5. Professional Services; Estimated Financing Costs.** Dale Scott & Co., has previously been engaged as financial advisor to the District and Jones Hall, A Professional Law Corporation, has previously been engaged as bond counsel to the District. The estimated costs of issuance associated with the bond sale are less than 2% of the principal amount of the Series D and E Bonds, which include the financial advisor, bond counsel fees, rating agency fees, paying agent fees and Bank fees. The costs of issuing the Bonds shall be paid in accordance with a custodial agreement to be entered into between the District and U.S. Bank National Association, as custodian.

**Section 6. Building Fund.** The District hereby directs the Auditor-Controller/Treasurer-Tax Collector of the County of Los Angeles (the "County Treasurer") to establish, hold and maintain funds to be known as the "Rowland USD Building Funds, 2006 Election, Series D and E" (the "Building Funds"), which the County Treasurer shall maintain as separate accounts, distinct from all other funds of the County and the District. Upon the issuance of the Series D and E Bonds, a portion of the proceeds of sale thereof shall be transferred to the County Treasurer to be credited to the Building Funds. Amounts on deposit in the Building Funds shall be expended by the District solely for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities for which the Series D and E Bond proceeds are authorized to be expended under the Bond Measure. All interest and other gain arising from the investment of amounts deposited to the Building Fund shall be retained in the Building Fund and used for the purposes thereof.

**Section 7. Security for the Series D and E Bonds.** The Series D and E Bonds are general obligations of the District payable from the levy of *ad valorem* taxes upon all property within the District subject to taxation by the District, without limitation as to rate or amount, for the payment of the Series D and E Bonds and the interest thereon. The District hereby directs the County to levy on all the taxable property in the District, in addition to all other taxes, a continuing direct and *ad valorem* tax annually during the period the Series D and E Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the Series D and E Bonds when due, which moneys when collected shall be placed in the Debt Service Fund as set forth in Section 8.

The principal of and interest on Series D and E Bonds do not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof, and neither the County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof shall be liable thereon. In no event are the principal of and interest on the Series D and E Bonds payable out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District.

The Series D Qualified School Construction Bonds are further secured by and payable from bond subsidy payments received by the District.

**Section 8. Establishment of Debt Service Fund.** The District hereby directs the County Treasurer to establish, hold and maintain funds to be known as the "Rowland USD General Obligation Bond Debt Service Funds, 2006 Election, Series D and Series E" (the "Debt Service Funds"), to be maintained by the County Treasurer as separate accounts, distinct from all other funds of the County and the District. All taxes levied by the County, as directed by the District herein, for the payment of the principal of and interest on the Series D and E Bonds shall be deposited in the Debt Service Funds by the County Treasurer promptly upon apportionment of said levy. The District hereby irrevocably pledges the Debt Service Fund for the payment of the principal of and interest on the Series D and E Bonds when and as the same become due.

**Section 9. Limited Duties of County; Indemnification.** The County (including its officers, agents and employees) shall undertake only those duties of the County under this Resolution which are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Series D and E Bonds, no implied covenants or obligations shall be read into this Resolution against the County

(including its officers, agents and employees). The District further agrees to indemnify, defend and save the County (including its officers, agents and employees) harmless against any and all liabilities, costs, expenses, damages and claims which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

**Section 10. Execution of Documents.** The Superintendent, the Assistant Superintendent, Administrative Services, the Clerk of the Board and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series D and E Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

**Section 11. Effective Date of Resolution.** This Resolution shall take effect from and after the date of its passage and adoption.

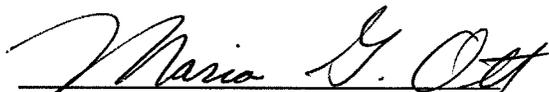
\* \* \* \* \*

PASSED AND ADOPTED this 14th day of June, 2011, by the following vote:

AYES:	5
NOES:	0
ABSENT:	0

  
President of the Board of Education  
Rowland Unified School District,  
Los Angeles County, California

ATTEST:

  
Secretary of the Board of Education  
Rowland Unified School District,  
Los Angeles County, California